**Recession threatens generation of young adults, inspires 'Occupy' protests** By Bob Sullivan



**An Occupy Wall Street protester on Tuesday holds up an American flag with corporate logos replacing the stars**. [Don Emmert / AFP - Getty Images.]

Their employment prospects are dim, their debt is high, their lives are on hold and a stunning number are living with their parents, even into their 30s. They are young adults, 18 to 34, struggling to begin their adult lives during the worst economy since the Great Depression, and they risk becoming a lost generation, according to an extensive new study released Wednesday by two advocacy groups.

While begun long before the "Occupy Wall Street" movement, the research may help explain why so many young people are taking part in the protests.

Some data unearthed by the study by the advocacy groups Demos and The Young Invincibles, which combined an independent telephone poll with U.S. Census Bureau data, is stark and stunning.  Rent is taking up nearly 33 percent more of young adults’ income than a decade ago -- at least for those who have their own place.  But nearly 20 percent live with their parents. They are postponing buying a home, having children, even getting married.

Despite accumulating historic piles of student loan debt, nearly 50 percent aren't working in their chosen field. That might suggest college is a waste of time, but young adult men who hold high school degree earn only 75 percent of what their high-school-educated fathers did, creating an educational Catch-22.

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While government underemployment data tells a sobering story – that 16.5 percent of U.S. adults don’t have a job, are being forced to take part-time work or have given up looking for work --  it may markedly understate the problem for young adults.  About 60 percent of working young adults questioned by pollsters said they wish they could work more hours for more pay, likely offering a much better approximation of underemployment.

"A lot of the findings in this report could have cause serious economic scarring going forward," said Lauren Strayer, a spokeswoman for New York-based Demos, a non-partisan think tank that says it promotes economic equality and democratic values. “People who have no hope for the future don't plan for it.”

The report, “Young America: Economic Barriers to the American Dream,” was released Wednesday to highlight the groups’ year-long effort to focus attention to economic issues facing young people.

“About half of young Americans between the ages of 18 and 34 believe that a fundamental tenet of the American dream is broken — that the next generation will be better off than they are,” the report concludes.

The research comes at a time when the Occupy Wall Street movement is approaching a crossroads.  Now past the mere curiosity stage, can its organizers continue momentum when news interest lulls and winter weather makes Wall Street parks much more inhospitable?

Whether it survives or not, the anger being expressed at Zuccotti Park isn't going anywhere anytime soon, said Demos spokesman Tim Rusch.  Demos began its young adult research six years ago, and has been seeing the worsening plight of young Americans for a while.

"Young people were restless and frustrated before the recession," he said. "The 'Occupy' movement is the expression of how much worse it's gotten in last three years, a direct result of how disgusted people are. ... We reached a tipping point."

The themes of poor economic opportunities and a sense that "things are unfair" have permeated the movement, but the data released Wednesday "gives some texture to that," Rusch said.

 Only half of young adult workers earn more money than they did four years ago, while only 47 percent earned more than $30,000 last year. Twenty percent of those in the 25-to-34 age bracket are only working part-time, while 12 percent say they've given up looking for work, assuming they have no prospects. Roughly 25 percent are uninsured.

But even among those who work, there's widespread dissatisfaction. An astonishing 57 percent said they would work "more hours for more pay" if given the option.

"They are not underemployed in the (government data) sense, but in their own minds," said Robert Hiltonsmith, a Demos researcher who worked on the report.  "That's a huge proportion."

Perhaps it shouldn't be a surprise that young adults need the money, given their soaring rent costs and debt.  The report found that nearly 10 percent of undergraduate students leave school with more than $40,000 in debt and begin life saddled with a typical monthly payment of $460. Meanwhile, rent is devouring most young people’s paychecks. In 1980, rent consumed 23.7 percent of 18-to-24 year olds' pre-tax income.  By 2009, that had jumped to 32.1 percent, with most of the increase hitting during the past decade.  Meanwhile, the share of 25- to 34-year olds spending more than 30 percent of their income on rent -- a critical threshold often cited by landlords -- jumped from 28 percent to 41.3 percent over the same time period.

Those bleak numbers have many young adults putting off critical life decisions, and is imposing a kind of extended adolescence on them.  Almost half (46 percent) have delayed purchasing a home, while 30 percent have put off starting a family, and 25 percent said they had delayed getting married.

Meanwhile, the number of older young adults living at home with parents has skyrocketed. In 1980, 10 percent of 25- to 34-year-old men lived at home. In 2010, 21 percent of that age group told the researchers that they'd lived with parents at some point during the prior year.

This social shift has far-reaching consequences, even beyond the young adults, said Hiltonsmith.

"When you have 30-year-olds living with parents, they are putting an extra burden on the older generation, perhaps forcing them to postpone retirement," he said.  Other recent data Demos has examined suggest that older women are facing economic instability, and the two trends could be related. "Many of them are caretakers for adult children. This could be a long-term negative trend that we've just begun."

College was sold to young people as the surest route to a secure spot in the middle class, something that has turned out to be, at best, a half-truth.  Clearly, their peers without college degrees are struggling even more during the recession.  Men and women with college degrees earn about $20,000 more annually than their less-educated peers, a gap that has doubled since 1980.

On the other hand, college degrees are hardly a guarantee of good employment.  One third of young adults holding a four-year college degree told researchers that they are not working in their chosen profession. And 29 percent of those who attended graduate school said they weren't working in the field they'd studied. Among students who attended "some college," the figure jumped to 54 percent

The disappointing results almost certainly mean college graduates are not earning as much as they would if they were working in their chosen field, but the results suggest something even more sobering, Hiltonsmith said.

"The bigger point here is that college was sold as the only way to get into middle class. But with these people not working in their field, the connection between school and career has broken down,” he said. “They really are at risk of college being a complete wash for them."

All this negativity carries with it societal risks that might last for decades. Only 12 percent of those polled believe their generation will be better off than their parents’ generation, and nearly all of them indicating they have serious concerns about their ability to save money for retirement.

"We're at risk of losing them and seeing permanent effects," Hiltonsmith said. "These conditions really could set this generation of young people on a different trajectory."

But despite all this pessimism, researchers were surprised to find a glint of old-fashioned American optimism within their research.  About 70 percent of survey responders said they still believed the American Dream "is achievable."

"We were surprised by that," Rusch said. But he said the seeming paradox of simultaneous generational pessimism with a belief in the American Dream suggests that young people believe things don't have to be as bad as they are.

"It tells me they think there's something possible we can do as a society, but I don't think people see the resources or the opportunity in front of them right now," he said.

***Want to share your story as a struggling young adult? Leave it in comments below or e-mail*** ***BobSullivan@feedback.msnbc.com***

Other interesting findings in the research:

\*Across categories, young women worried than more men. Women's biggest concern was being able to afford to send their future children to college.

\*Young war veterans are faring far worse than other young adults.  The unemployment rate for the 2.2 million Gulf War-era veterans 18- to 24-years-old was 20.9 percent in 2010 -- 3.6 percent higher than the unemployment rate for all 18- to 24-year-olds, and over 11 percent higher than the unemployment rate for the general population.

\*Young whites are the most pessimistic that their generation will be worse off than previous generations, with 55 percent expecting they'll be worse off. Only 40 percent of African Americans and 36 percent of Latinos feel that way.

\*A debt-distressed household puts 40 percent or more of its monthly wages toward debt service payments.  In 2007, 16 percent of all households headed by 25 to 34-year-olds qualified as distressed, up from 13 percent in 1989.

\*The price of child care, a major concern in two-income households, is rising faster than inflation. The average monthly child care fees for two young children exceed median rent in nearly every state.

\*Unemployment hits young adults hard, even according to official government statistics. In 2010, unemployment among those 35 and older was 7.6 percent, compared to 10.1 percent for the 25-to-34 group and 17.3 percent for the 18-to-24 group.  The recession has made that disparity worse, with unemployment increases of 4.4 percent for those 35 and over, 5.4 percent for 25- to 34-year-olds, and 7.7 percent for 18- to 24-year-olds.

The nationwide survey reached a total of 872 adults ages 18 to 34. The sample included 472 young adults reached on landlines and 400 young adults reached on cellphones. Its margin of error is plus or minus 3.32 percent. The survey was conducted Sept. 24-Oct. 4.